

Fill in this information to identify the case:

Debtor Name Backyard Workroom LLC

United States Bankruptcy Court for the: _____ District of _____

Case number: _____

☐ Check if this is an amended filing

Official Form 425C

Monthly Operating Report for Small Business Under Chapter 11

12/17

Month: October

Date report filed: 11/21/2022
MM/DD/YYYY

Line of business: Small homes kits

NAISC code: _____

In accordance with title 28, section 1746, of the United States Code, I declare under penalty of perjury that I have examined the following small business monthly operating report and the accompanying attachments and, to the best of my knowledge, these documents are true, correct, and complete.

Responsible party: _____

Original signature of responsible party

Printed name of responsible party

Eric Benavides

1. Questionnaire

Answer all questions on behalf of the debtor for the period covered by this report, unless otherwise indicated.

If you answer No to any of the questions in lines 1-9, attach an explanation and label it Exhibit A.

	Yes	No	N/A
1. Did the business operate during the entire reporting period?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Do you plan to continue to operate the business next month?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Have you paid all of your bills on time?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Did you pay your employees on time?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Have you deposited all the receipts for your business into debtor in possession (DIP) accounts?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Have you timely filed your tax returns and paid all of your taxes?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Have you timely filed all other required government filings?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Are you current on your quarterly fee payments to the U.S. Trustee or Bankruptcy Administrator?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Have you timely paid all of your insurance premiums?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If you answer Yes to any of the questions in lines 10-18, attach an explanation and label it Exhibit B.

10. Do you have any bank accounts open other than the DIP accounts?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Have you sold any assets other than inventory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Have you sold or transferred any assets or provided services to anyone related to the DIP in any way?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Did any insurance company cancel your policy?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Did you have any unusual or significant unanticipated expenses?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Have you borrowed money from anyone or has anyone made any payments on your behalf?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. Has anyone made an investment in your business?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Debtor Name

Backyard Workroom LLC

Case number

17. Have you paid any bills you owed before you filed bankruptcy?

☐ ☒ ☐

18. Have you allowed any checks to clear the bank that were issued before you filed bankruptcy?

☐ ☒ ☐

2. Summary of Cash Activity for All Accounts

19. Total opening balance of all accounts

This amount must equal what you reported as the cash on hand at the end of the month in the previous month. If this is your first report, report the total cash on hand as of the date of the filing of this case.

\$ 1,026

20. Total cash receipts

Attach a listing of all cash received for the month and label it *Exhibit C*. Include all cash received even if you have not deposited it at the bank, collections on receivables, credit card deposits, cash received from other parties, or loans, gifts, or payments made by other parties on your behalf. Do not attach bank statements in lieu of *Exhibit C*.

Report the total from *Exhibit C* here.

\$ 14,026.27

21. Total cash disbursements

Attach a listing of all payments you made in the month and label it *Exhibit D*. List the date paid, payee, purpose, and amount. Include all cash payments, debit card transactions, checks issued even if they have not cleared the bank, outstanding checks issued before the bankruptcy was filed that were allowed to clear this month, and payments made by other parties on your behalf. Do not attach bank statements in lieu of *Exhibit D*.

Report the total from *Exhibit D* here.

- \$ 13,794.27

22. Net cash flow

Subtract line 21 from line 20 and report the result here.

This amount may be different from what you may have calculated as *net profit*.

+ \$ 232.00

23. Cash on hand at the end of the month

Add line 22 + line 19. Report the result here.

Report this figure as the *cash on hand at the beginning of the month* on your next operating report.

This amount may not match your bank account balance because you may have outstanding checks that have not cleared the bank or deposits in transit.

= \$ 1,258

3. Unpaid Bills

Attach a list of all debts (including taxes) which you have incurred since the date you filed bankruptcy but have not paid. Label it *Exhibit E*. Include the date the debt was incurred, who is owed the money, the purpose of the debt, and when the debt is due. Report the total from *Exhibit E* here.

24. Total payables

(*Exhibit E*)

\$ Attached

Debtor Name _____

Case number _____

4. Money Owed to You

Attach a list of all amounts owed to you by your customers for work you have done or merchandise you have sold. Include amounts owed to you both before, and after you filed bankruptcy. Label it *Exhibit F*. Identify who owes you money, how much is owed, and when payment is due. Report the total from *Exhibit F* here.

25. Total receivables
(Exhibit F)

\$ 0

5. Employees

26. What was the number of employees when the case was filed?
27. What is the number of employees as of the date of this monthly report?

2
1

6. Professional Fees

28. How much have you paid this month in professional fees related to this bankruptcy case?
29. How much have you paid in professional fees related to this bankruptcy case since the case was filed?
30. How much have you paid this month in other professional fees?
31. How much have you paid in total other professional fees since filing the case?

\$ 6,738
\$ 0
\$ 0
\$ 0

7. Projections

Compare your actual cash receipts and disbursements to what you projected in the previous month. Projected figures in the first month should match those provided at the initial debtor interview, if any.

	Column A		Column B		Column C
	Projected	-	Actual	=	Difference
	Copy lines 35-37 from the previous month's report.		Copy lines 20-22 of this report.		Subtract Column B from Column A.
32. Cash receipts	\$ _____	-	\$ _____	=	\$ _____
33. Cash disbursements	\$ _____	-	\$ _____	=	\$ _____
34. Net cash flow	\$ _____	-	\$ _____	=	\$ _____
35. Total projected cash receipts for the next month:					\$ _____
36. Total projected cash disbursements for the next month:					- \$ _____
37. Total projected net cash flow for the next month:					= \$ <u>0</u>

Debtor Name

Backyard Workroom LLC

Case number _____

8. Additional Information

If available, check the box to the left and attach copies of the following documents.

- ☒ 38. Bank statements for each open account (redact all but the last 4 digits of account numbers).
- ☒ 39. Bank reconciliation reports for each account.
- ☒ 40. Financial reports such as an income statement (profit & loss) and/or balance sheet.
- ☒ 41. Budget, projection, or forecast reports.
- ☒ 42. Project, job costing, or work-in-progress reports.

11:05 AM

11/21/22

Backyard Workroom LLC
A/P Aging Summary
As of October 31, 2022

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Blue Cross Blue Shield	0.00	1,748.00	14,600.00	13,318.78	0.00	29,666.78
Built Designs, LLC	0.00	0.00	0.00	1,150.00	0.00	1,150.00
Champion Janitorial	0.00	0.00	0.00	0.00	895.84	895.84
Conley Rose Intellectual Property Law	0.00	0.00	0.00	0.00	4,825.00	4,825.00
Daniel C. Smith P.E Consulting Engineers	13,800.00	0.00	0.00	5,335.00	0.00	19,135.00
Dawson Logistics Assets LLC	0.00	14,718.00	14,718.00	14,718.00	0.00	44,154.00
Department of Treasury	0.00	42,519.88	0.00	0.00	0.00	42,519.88
Elite Energy Inspections	0.00	0.00	0.00	0.00	1,100.00	1,100.00
Frontier Communications	0.00	0.00	114.99	0.00	0.00	114.99
Horton World Solutions, LLC	0.00	0.00	0.00	38,254.08	85,052.13	123,306.21
Metal Supermarkets, Inc.	0.00	0.00	0.00	0.00	1,076.47	1,076.47
Mitchell Welding Supply	77.95	77.95	290.55	514.11	694.49	1,655.05
Nappco Fastner Company	0.00	0.00	139.61	834.97	139.61	1,114.19
Phoenix Funding Group	0.00	0.00	116.67	0.00	0.00	116.67
RB Shields Me	0.00	0.00	0.00	0.00	537.75	537.75
Republic Trash Services	0.00	117.48	0.00	0.00	0.00	117.48
Sentry Security Solutions, LLC	0.00	47.62	0.00	0.00	0.00	47.62
Sherwin Williams	0.00	0.00	992.52	3,468.01	2,150.10	6,610.63
Sorrow Motion Pictures	0.00	0.00	0.00	0.00	1,154.50	1,154.50
Texas Comptroller	0.00	0.00	8,911.97	0.00	0.00	8,911.97
Texas Mutual Insurance	0.00	1,858.00	0.00	0.00	0.00	1,858.00
TMC DesignWorks	0.00	0.00	0.00	0.00	1,220.00	1,220.00
TOTAL	13,877.95	61,086.93	39,884.31	77,592.95	98,845.89	291,288.03

Exhibit E

WELLS FARGO

BACKYARD WORKROOM

Account

...1049

Routing Numbers

\$0.00

Available balance

Activity Summary

Current posted balance	\$0.00
Pending withdrawals/debits	\$0.00
Pending deposits/credits	\$0.00
Available balance	\$0.00

Monthly Service Fee Summary

Routing numbers

Activity

First

Previous

Next

Date	Description	Deposits/Credits	Withdrawals/Debits
------	-------------	------------------	--------------------

ending Transactions

No pending transactions meet your search criteria. Please try again.

osted Transactions

10/27/22	PAYOFF DEBIT, NON-INTEREST WITHOUT FEE		\$0.00
10/27/22	Customer initiated money transfer to acct 8015		\$7,026.27
Totals		\$0.00	\$7,026.27

Back to top

First

Previous

Next

Initiate Business CheckingSM

October 31, 2022 ■ Page 1 of 4



BACKYARD WORKROOM LLC
DEBTOR IN POSSESSION
CH11 CASE #22-41366 (ETX)

Questions?

Available by phone 24 hours a day, 7 days a week:
We accept all relay calls, including 711

1-800-CALL-WELLS (1-800-225-5935)

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (808)
P.O. Box 6995
Portland, OR 97228-6995

Your Business and Wells Fargo

Visit wellsfargo.com/digitalbusinessresources to explore tours, articles, infographics, and other resources on the topics of money movement, account management and monitoring, security and fraud prevention, and more.

Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to wellsfargo.com/biz or call the number above if you have questions or if you would like to add new services.

Business Online Banking	<input checked="" type="checkbox"/>
Online Statements	<input checked="" type="checkbox"/>
Business Bill Pay	<input checked="" type="checkbox"/>
Business Spending Report	<input checked="" type="checkbox"/>
Overdraft Protection	<input type="checkbox"/>

Statement period activity summary

Beginning balance on 10/27	\$0.00
Deposits/Credits	8,026.27
Withdrawals/Debits	- 6,768.00
Ending balance on 10/31	\$1,258.27

Account number: 2[REDACTED]9015

BACKYARD WORKROOM LLC
DEBTOR IN POSSESSION
CH11 CASE #22-41366 (ETX)

Texas/Arkansas account terms and conditions apply

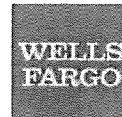
For Direct Deposit use
Routing Number (RTN): 111900659

For Wire Transfers use
Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo branch.

October 31, 2022 ■ Page 2 of 4



Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
10/27		Customer Initiated Money Transfer From Acct 1049	7,026.27		7,026.27
10/28		Wire Trans Svc Charge - Sequence: 221028072318 Srf# Ow00002639916144 Trn#221028072318 Rfb# Ow00002639916144		30.00	
10/28		WT 221028-072318 Bank of America, N. /Bnf=Law Office of Eric Liepins PC Srf# Ow00002639916144 Trn#221028072318 Rfb# Ow00002639916144		6,738.00	258.27
10/31		Online Transfer From Skyview Investments LLC Business Checking xxxxxx2343 Ref #1b0Gryp3Sk on 10/31/22	1,000.00		1,258.27
Ending balance on 10/31					1,258.27
Totals			\$8,026.27	\$6,768.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Monthly service fee summary

For a complete list of fees and detailed account information, see the disclosures applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq for a link to these documents, and answers to common monthly service fee questions.

Fee period 10/27/2022 - 10/31/2022	Standard monthly service fee \$10.00	You paid \$0.00
We waived the fee this fee period to allow you to meet the requirements to avoid the monthly service fee. Your fee waiver is about to expire. You will need to meet one of the requirements to avoid the monthly service fee.		
How to avoid the monthly service fee	Minimum required	This fee period
Have any ONE of the following account requirements		
• Average ledger balance	\$1,000.00	\$1,812.00 <input checked="" type="checkbox"/>
• Minimum daily balance	\$500.00	\$258.27 <input type="checkbox"/>

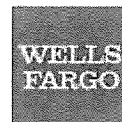
C1/C1

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	0	5,000	0	0.0030	0.00
Transactions	1	100	0	0.50	0.00
Total service charges					\$0.00

Other Wells Fargo Benefits

October 31, 2022 ■ Page 3 of 4



Our National Business Banking Center customer service number 1-800-CALL-WELLS (1-800-225-5935) hours of operation have temporarily changed to 7:00 a.m. to 11:00 p.m. Eastern Time, Monday through Saturday and Sunday 9:00 a.m. to 10:00 p.m. Eastern Time. Access to our automated banking system, the ability to report a fraud claim on your business credit or debit card, and access to report a lost or stolen business card will continue to be available 24 hours a day, 7 days per week. Thank you for banking with Wells Fargo. We appreciate your business.



IMPORTANT ACCOUNT INFORMATION

In consideration of the global COVID-19 pandemic, Wells Fargo temporarily paused exercising its right to setoff as otherwise allowable under your Deposit Account Agreement. Effective on or after January 1, 2023, Wells Fargo will resume exercising its right to setoff for overdrawn deposit account balances, where applicable. When we exercise this right, we may reduce funds in any account you hold with us for purposes of paying the amount of the debt, either due or past due, that is owed to us as allowed by the laws governing your account. Our right of setoff won't apply if it would invalidate the tax-deferred status of any tax-deferred retirement account (e.g., a SEP or an IRA) you keep with us. To review a copy of your Deposit Account Agreement, including the provisions related to the right of setoff, please visit wellsfargo.com/online-banking/consumer-account-fees/.

NEW YORK CITY CUSTOMERS ONLY -- Pursuant to New York City regulations, we request that you contact us at 1-800-TO WELLS (1-800-869-3557) to share your language preference.

Tax Season Reminder: Wells Fargo delivers tax documents - either by mail or online depending on your delivery preference - no later than January 31 or by the IRS deadline of February 15 for brokerage accounts. Depending on the U.S. Postal delivery service, you should expect to receive your tax documents no later than the end of February. You can update your tax document delivery preferences by visiting Wells Fargo Online®.

The Internal Revenue Service (IRS) requires Wells Fargo to report information regarding the amount of interest, dividend or miscellaneous income earned as well as gross proceeds from sales by providing you with various IRS Forms 1099 based on the different types of transactions that occurred in your account during the calendar tax year (the IRS reportable threshold). For example, if you have interest or dividends in the amount of \$10 or more during that timeframe, you will receive a Form 1099-INT from Wells Fargo.

For more information, visit Wells Fargo Tax Center at <https://www.wellsfargo.com/tax-center/>.

11:52 AM

11/04/22

Backyard Workroom LLC
Reconciliation Summary

10100 · NEW BANK ACCT-BYWR WF-8015, Period Ending 10/31/2022

	<u>Oct 31, 22</u>
Beginning Balance	0.00
Cleared Transactions	
Checks and Payments - 2 items	-6,768.00
Deposits and Credits - 2 items	8,026.27
	<u>1,258.27</u>
Total Cleared Transactions	
	<u>1,258.27</u>
Cleared Balance	<u>1,258.27</u>
Register Balance as of 10/31/2022	1,258.27
New Transactions	
Checks and Payments - 2 Items	-1,110.48
	<u>-1,110.48</u>
Total New Transactions	
	<u>-1,110.48</u>
Ending Balance	<u>147.79</u>

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11/04/22

Backyard Workroom LLC Reconciliation Detail

10100 - NEW BANK ACCT-BYWR WF-8015, Period Ending 10/31/2022

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						0.00
Cleared Transactions						
Checks and Payments - 2 items						
Check	10/28/2022	wire	Eric Liepins	X	-6,738.00	-6,738.00
Check	10/28/2022	debit	Wells Fargo	X	-30.00	-6,768.00
Total Checks and Payments					-6,768.00	-6,768.00
Deposits and Credits - 2 items						
Deposit	10/28/2022			X	7,026.27	7,026.27
Deposit	10/31/2022			X	1,000.00	8,026.27
Total Deposits and Credits					8,026.27	8,026.27
Total Cleared Transactions					1,258.27	1,258.27
Cleared Balance					1,258.27	1,258.27
Register Balance as of 10/31/2022					1,258.27	1,258.27
New Transactions						
Checks and Payments - 2 items						
Check	11/01/2022	debit	Reliant Energy		-993.00	-993.00
Bill Pmt -Check	11/01/2022	debit	Republic Trash Serv...		-117.48	-1,110.48
Total Checks and Payments					-1,110.48	-1,110.48
Total New Transactions					-1,110.48	-1,110.48
Ending Balance					147.79	147.79

2:09 PM
11/09/22
Accrual Basis

Backyard Workroom LLC
Balance Sheet
As of October 31, 2022

	Oct 31, 22
ASSETS	
Current Assets	
Checking/Savings	
10100 · NEW BANK ACCT-BYWR WF-8015	1,258.27
Total Checking/Savings	1,258.27
Other Current Assets	
15100 · WORK IN PROGRESS/INVENTORY	
15105 · Electrical Parts	990.43
15110 · Fasteners	732.18
15120 · Metal	2,927.05
15125 · Paint	145.57
15130 · Panels	13,837.60
15135 · Windows & Trim	1,318.20
15145 · Consumables	1,596.60
15150 · Plumbing	349.04
15160 · Kitchenette	1,297.26
15175 · Job Permitting	7,429.99
15180 · Engineered Drawings	16,885.00
Total 15100 · WORK IN PROGRESS/INVENTORY	47,508.92
17000 · RENT DEPOSIT	43,000.00
Total Other Current Assets	90,508.92
Total Current Assets	91,767.19
Fixed Assets	
18500 · LEASEHOLD IMPROVEMENT - TECH	12,937.51
21000 · SHOP EQUIPMENT	7,006.82
22000 · ACCUMULATED DEPRECIATION	
22100 · Accum Dep Leasehold Improvement	-32,290.44
22400 · Accum Dep Shop Equip	-7,006.82
Total 22000 · ACCUMULATED DEPRECIATION	-39,297.26
Total Fixed Assets	-19,352.93
Other Assets	
23500 · MODEL PARK SHOW ROOMS	
23504 · Showroom Model - Sauna	6,614.69
Total 23500 · MODEL PARK SHOW ROOMS	6,614.69
Total Other Assets	6,614.69
TOTAL ASSETS	79,028.95
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
24000 · ACCOUNTS PAYABLE	240,461.66
Total Accounts Payable	240,461.66
Credit Cards	
25000 · BYWR Main Credit Card	11,770.73
25100 · BYWR CC/Employee Company Card	3,504.71
25200 · Home Depot Credit Card	-618.49
25300 · Eric's Personal CC	28,949.69
Total Credit Cards	43,606.64
Other Current Liabilities	
25500 · Sales Tax Payable	1,554.20

2:09 PM

11/09/22

Accrual Basis

Backyard Workroom LLC
Balance Sheet
As of October 31, 2022

	<u>Oct 31, 22</u>
26000 · NOTES PAYABLE	
26100 · Notes Payable - Skyview	710,751.91
26200 · Notes Payable - Skyview (SBA)	500,000.00
Total 26000 · NOTES PAYABLE	<u>1,210,751.91</u>
28000 · REFUNDABLE CUSTOMER DEPOSITS	
28500 · Customer Down Payments	199,656.90
Total 28000 · REFUNDABLE CUSTOMER DEPOSITS	<u>199,656.90</u>
29100 · CONVERTIBLE NOTE	<u>104,723.35</u>
Total Other Current Liabilities	<u>1,516,686.36</u>
Total Current Liabilities	<u>1,800,754.66</u>
Total Liabilities	<u>1,800,754.66</u>
Equity	
31000 · MEMBERS EQUITY	-812,849.16
Net Income	-908,876.55
Total Equity	<u>-1,721,725.71</u>
TOTAL LIABILITIES & EQUITY	<u><u>79,028.95</u></u>